

Barry Haase

Presentation to Standing Committee on Transport & Regional Services

Port of Geraldton

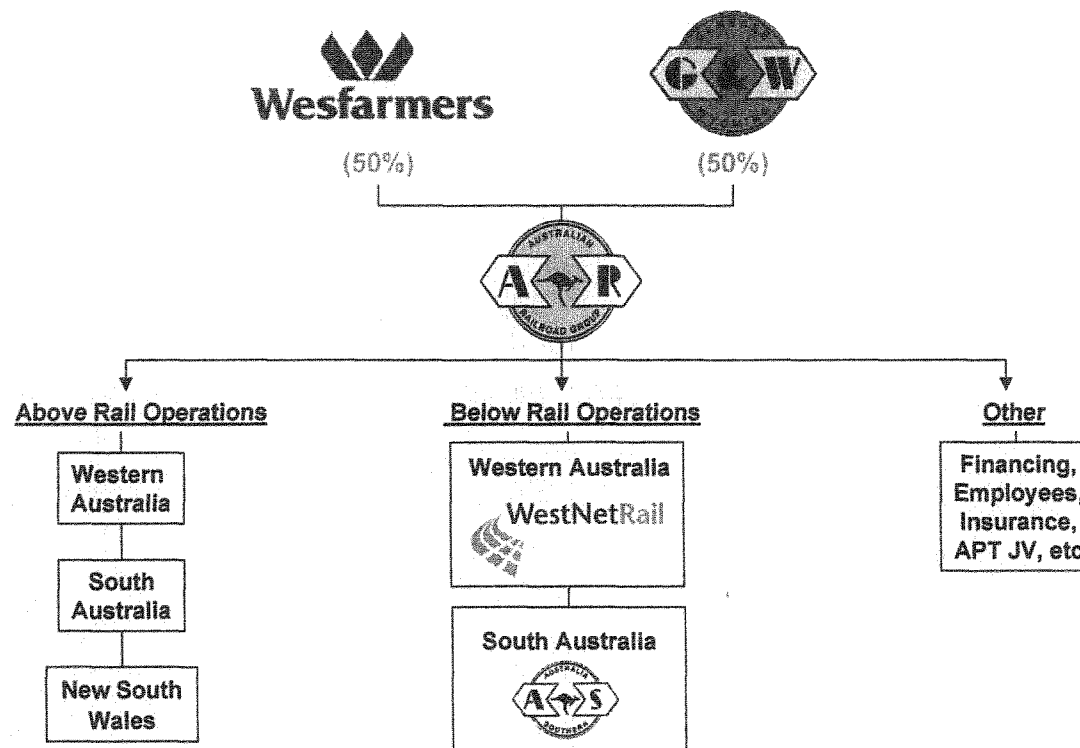
Paul Larsen – Commercial Manager



Discussion Points

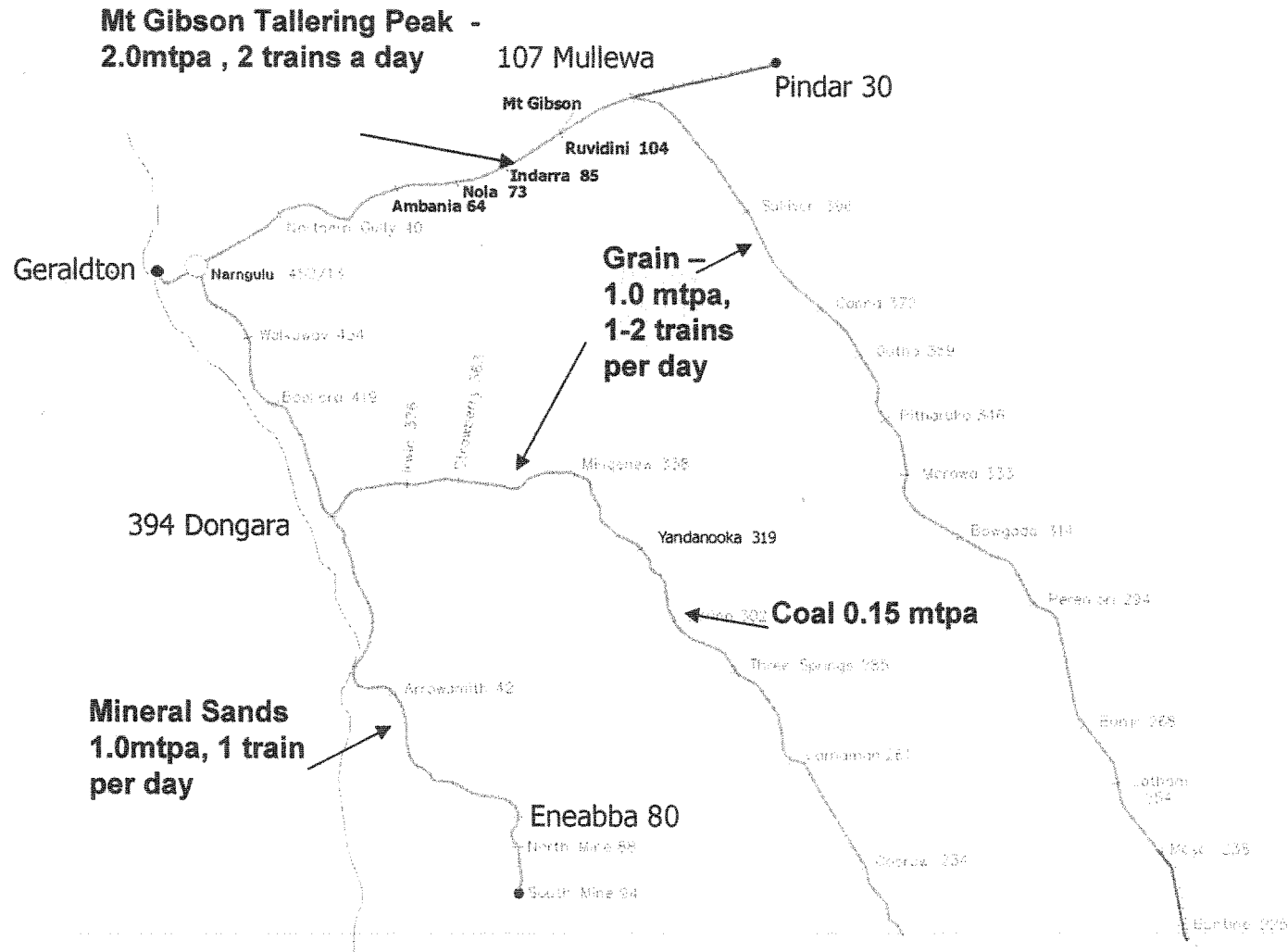
- Who is WestNet Rail
- What does our Network look like?
- Current Challenges
- Future Challenges

Who is WestNet?



- WestNet Rail has a 49 year lease of the WA Freight Rail Network
- Government still owns the track
- WestNet charges rail operators for access to run trains on the track
- WestNet is responsible for maintenance and capital upgrades of track
- WestNet is responsible for management of all train movements on the network
- The network is subject to open access to all Train Operators

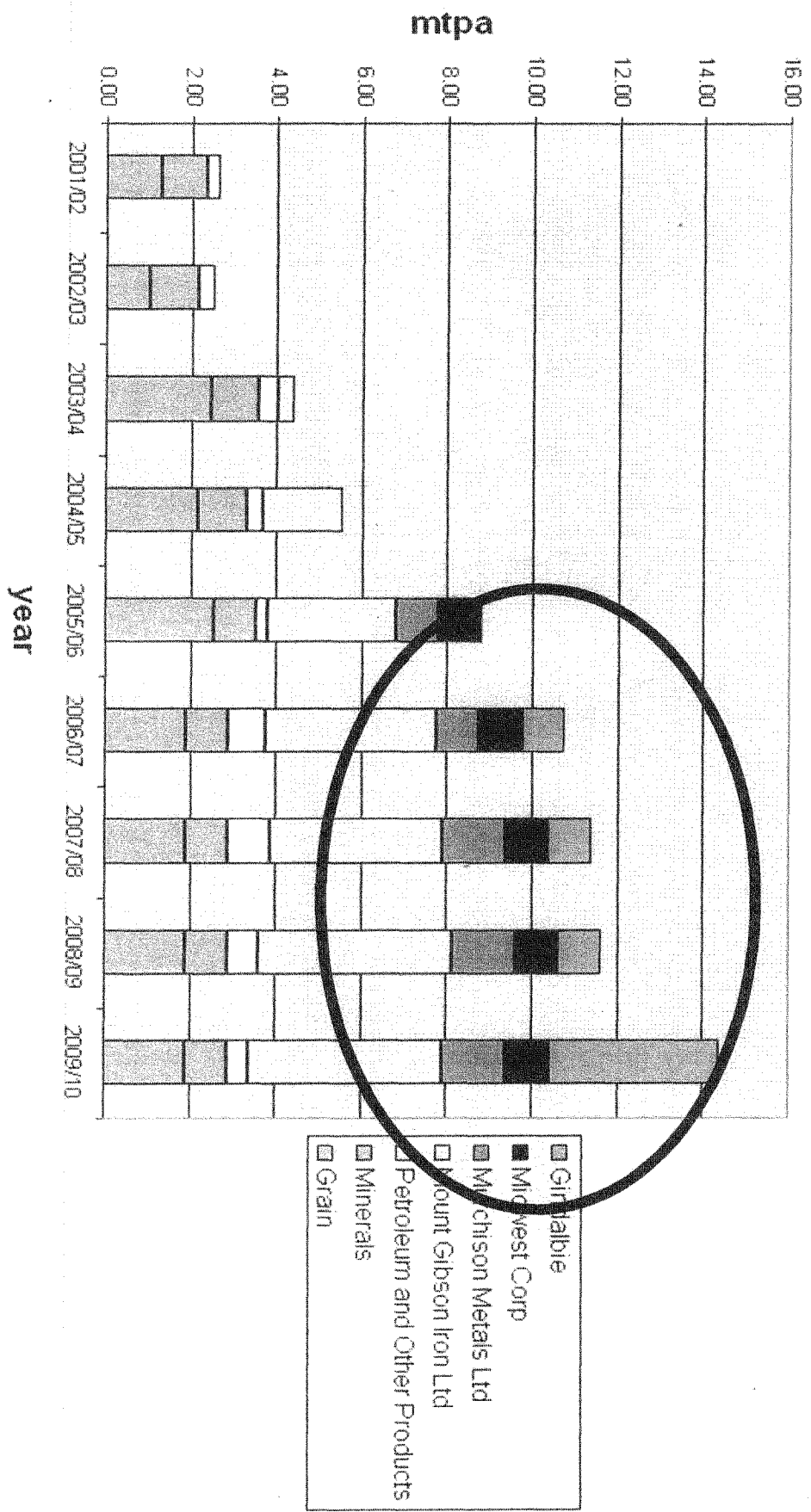
Rail infrastructure and current traffics



Current Challenges

The Road/Rail Challenge

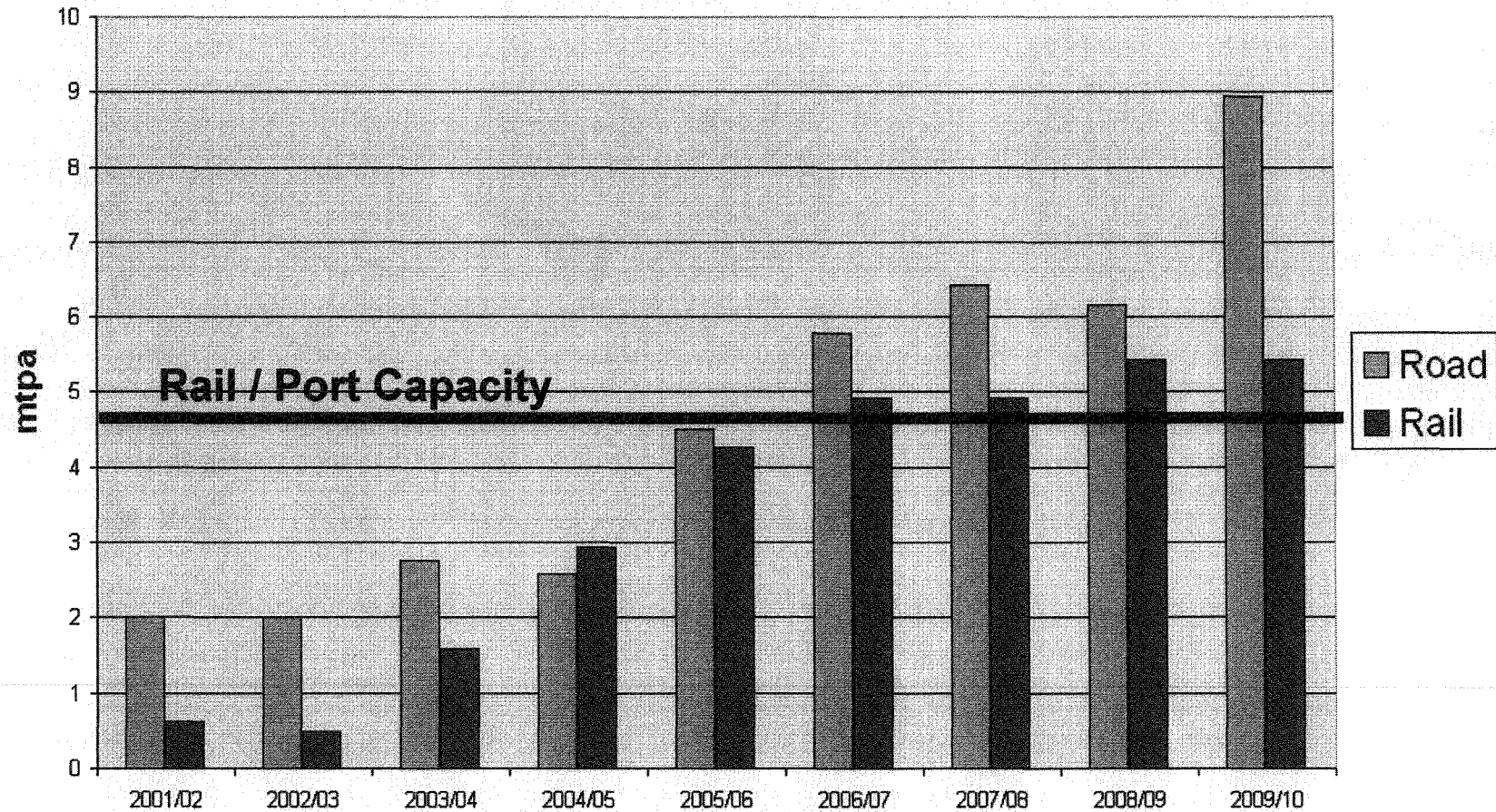
Road / Rail - Tonnes to Port



Growth is from Iron Ore

The Road/Rail Challenge

Road vs. Rail - into Port

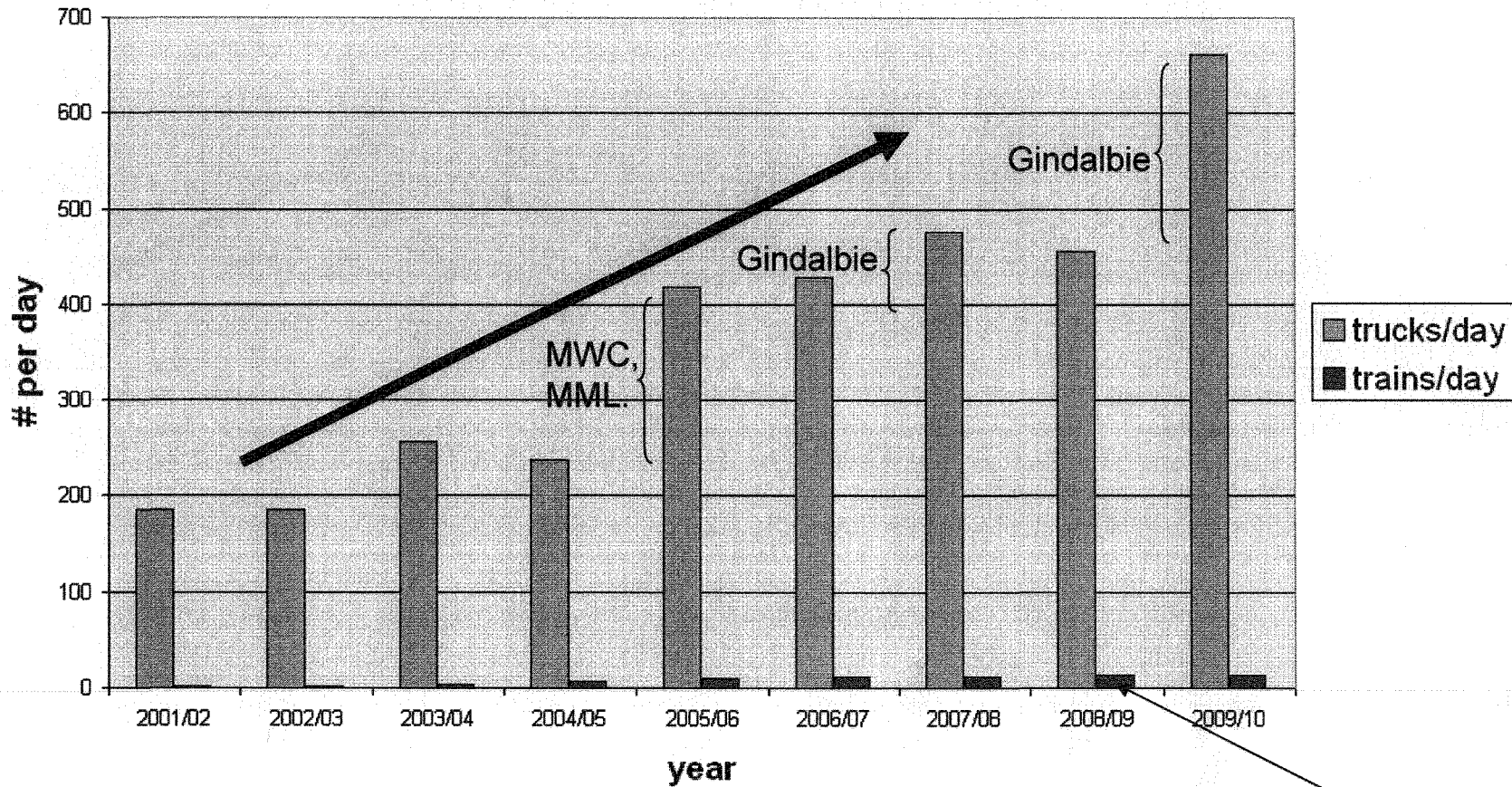


Current Iron Ore Rail / Port Capacity will max out without investment 7

The Road/Rail Challenge



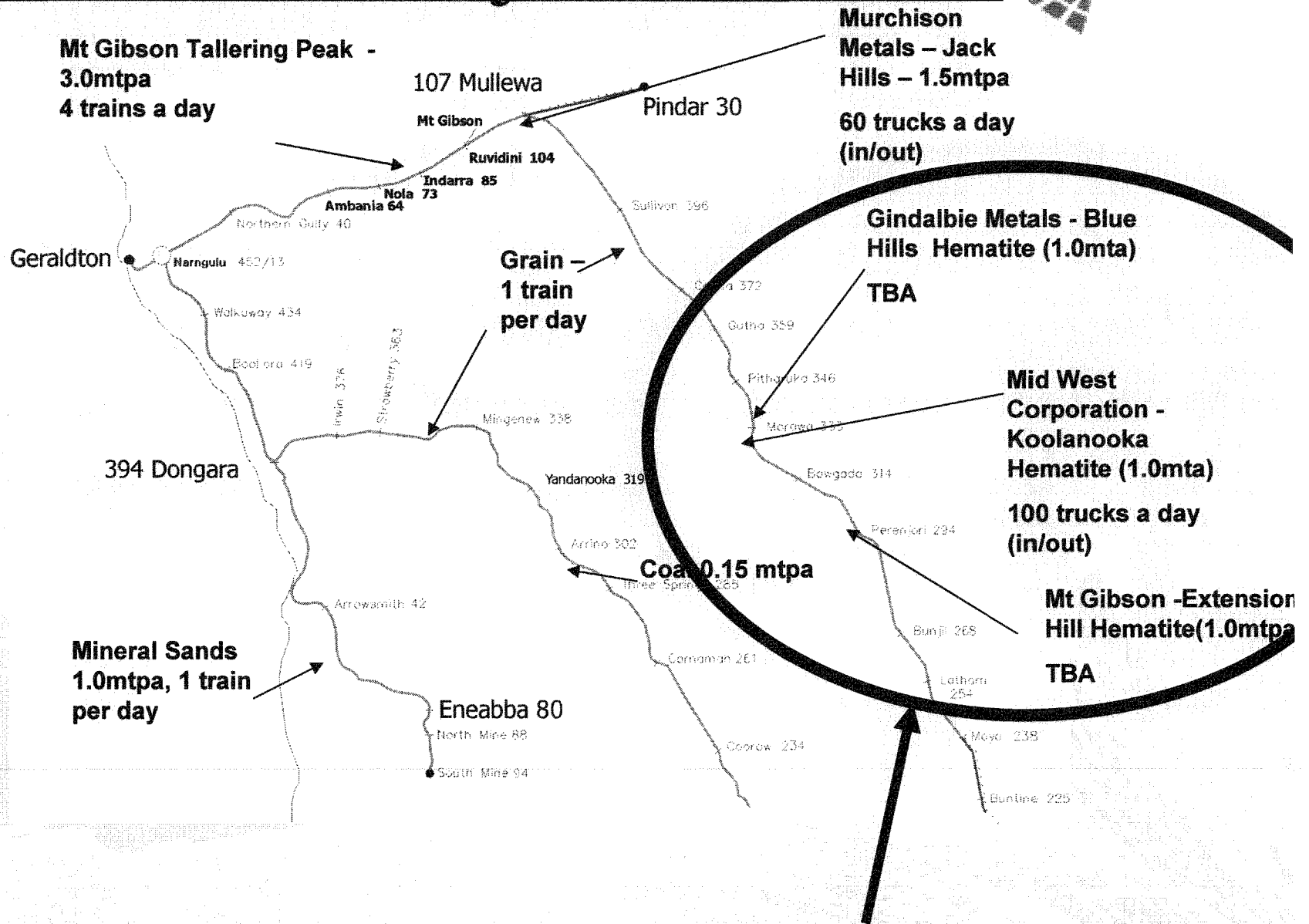
Total Daily Vehicle Movements



Assumes all MGI on rail

Results in a huge increase in trucks on the roads

Short Term Project Overview



These three projects are the target to get on rail or back on rail

Short Term Challenge

- Current total export volumes < 5.5 million tonne p.a.
- 2006 export volumes to be > 9.0 million tonne p.a.
- Iron ore is the major growth commodity from:
 - Four Companies:
 - Midwest Corporation
 - Mount Gibson Iron
 - Gindalbie Metals; and
 - Murchison Metals
 - Products are:
 - Direct Shipping Ore (DSO);
 - Magnetite Concentrate; and
 - Iron nuggets/pellets/pig iron

Short Term Challenge (cont)

- Major challenges for infrastructure:
 - Port: storage, ship loading, rail unloading (2007)
 - Rail: crossing loops, rail replacement, wagons
 - Road: upgrades, maintenance, road congestion and safety, damage to road and environment.
- Start-up projects are:
 - Being used to generate cash for potential large scale secondary developments; and
 - Seeking least cost / capital path to them = road.

Current Status

- Mt Gibson Mining committed to rail
- Gindalbie Metals committed to rail
- Mid West Corporation committed to road till Oct 2006.
- Access rates include the incremental track upgrades as they are required.
- Port rail unloader will require incremental investment.

Other issues

- Grain subject to fierce road competition
- Real freight rate reductions of \$10 per tonne over last 10 years.
- Other traffics in this region will help keep grain on rail through supporting track investment.

Future Challenges

Future Challenges

- More tonnes than those contemplated on Morowa – Mullewa – Geraldton line will require:
 - Rail : more x-loops, increased axle load/speed, train signalling (?)
 - Port – rail infrastructure : additional rail unloader(?), track/road changes(?).
- Oakajee and new rail line required to support Jack Hills and Weld Range